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By Zohar III*

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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	:	
In re:	:	Chapter 11
	:	
ZOHAR CDO 2003-1, LIMITED,	:	Case No. 15-23680 (RDD)
	:	
	:	Involuntary Petition Pending
Alleged Debtor.	:	

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	:	
In re:	:	Chapter 11
	:	
ZOHAR CDO 2003-1, CORP.,	:	Case No. 15-23681 (RDD)
	:	
	:	Involuntary Petition Pending
Alleged Debtor.	:	

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	:	
In re:	:	Chapter 11
	:	
ZOHAR CDO 2003-1, LLC,	:	Case No. 15-23682 (RDD)
	:	
	:	Involuntary Petition Pending
Alleged Debtor.	:	
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STATEMENT OF GROUP OF HOLDERS OF NOTES ISSUED BY ZOHAR III

This statement is submitted on behalf of holders of a majority of A-1 notes (the “Zohar III Holders”) issued pursuant to that certain Indenture (as amended, modified, supplemented, or

restated from time to time, the “Indenture”), dated as of April 6, 2007 between and among Zohar III, Limited, Zohar III, Corp., Zohar III, LLC (collectively, “Zohar III”), Natixis Financial Products, Inc., as Class A-1R Note Agent and Class A-1D Note Agent, and LaSalle Bank National Association, as trustee.

The Zohar III Holders file this statement solely to address certain statements made by the Petitioning Creditors. More specifically, in responding to the motion to dismiss filed by the Debtors, the Petitioning Creditors stated that “[t]hese involuntary petitions are also designed to protect two other funds managed by Ms. Tilton, referred to below as Zohar II and Zohar III.” *Response and Objection to Answer and Motion of Alleged Debtors for an Order Dismissing Involuntary Chapter 11 Petitions or, in the Alternative, Abstaining Pursuant to 11 U.S.C. § 305* [Docket No. 8] ¶2.

The Zohar III Holders are not parties in interest to the above-captioned proceeding, are not creditors of the Alleged Debtors and the Court does not have jurisdiction over Zohar III, the Zohar III Holders or the Zohar III Holders’ claims. Moreover, the Zohar III Holders, by making this statement, do not consent to this Court’s jurisdiction with respect to them, any claims they may have against Zohar III or any other party arising out of their rights as a holder of notes issued by Zohar III.

The Zohar III Holders take no position regarding the merits of the involuntary petition. However, it is worth noting that the party (Patriarch Partners XV, LLC) claiming a need to protect the interests of holders of claims at other Zohar entities that are not the subject of this bankruptcy case (*i.e.*, Zohar II and Zohar III) is also the subject of a pending SEC administrative proceeding alleging, among other things, fraudulent conduct in its duties as collateral manager

with respect to Zohar III.¹ Whether or not those proceedings give rise to claims or actions that relate to the other Zohar entities is not a subject of this bankruptcy case, as neither entity is before this Court. Accordingly, the Zohar III Holders respectfully request that, if an order for relief is entered in these cases, this Court be cognizant of any attempt by the Petitioning Creditor to impact the rights of holders of claims against any non-debtor entity through these proceedings.

Dated: New York, New York
January 29, 2016

Respectfully submitted,

/s/ Nicholas K. Lagemann

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¹ A copy of the Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 203(e), 203(f) and 203(k) of the Investment Advisers Act of 1940, and Section 9(b) of the Investment Company Act of 1940 and Notice of Hearing is attached hereto as Exhibit A.